

27 January 2023

## **Quarterly Activities Report and Appendix 5B** **For the Quarter ending 31 December 2022**

Eclipse Metals Ltd (ASX: **EPM**) (**Eclipse** or the **Company**) is pleased to report its activities for the quarter ending 31 December 2022.

### **HIGHLIGHTS**

#### **IVIGTÛT AND GRØNNEDAL PROJECTS**

- **Successful completion of a maiden percussion drilling and trench sampling program**
- **XRF analysis of composite samples returned encouraging praseodymium (Pr) and neodymium (Nd) ratios indicative of potential enrichment of these commercially more valuable REE**
- **Samples shipped to an Australian laboratory for further analysis.**
- **First laboratory results are expected in Q1 CY2023**

#### **CORPORATE**

- **Eclipse Commences trading on both Frankfurt Stock Exchange and Germany's Tradegate Exchange**

#### **Activities**

During a very busy quarter Eclipse was pleased to announce the successful completion of a maiden percussion drilling and trench sampling program at its SW Greenland multi-commodity project (**Figure 1**). Commencement of the drilling program followed the Minerals Licenses and Safety Authority in Greenland granting Eclipse approval for field activities for the 2022 field season.

The first stage of exploration at its Ivigtût mine precinct and Grønnedal carbonatite in southwest Greenland, was completed in November 2022. Using recently produced geophysical and remote sensing models as a guide, the program was designed to collect sub-surface samples of the REE bearing carbonatite formation and to obtain samples of mineralised waste from the Ivigtût mine.

#### **GRØNNEDAL CARBONATITE**

On the Grønnedal carbonatite complex, Eclipse completed 31 drill holes over a ~3.0km by ~1.5km area to vertical depths of between 3m and 22m (Figure 2). A grid pattern was utilised where surface features permitted, with ground conditions varying from very broken to solid rock. Trenches were excavated in areas where drilling was not practicable.

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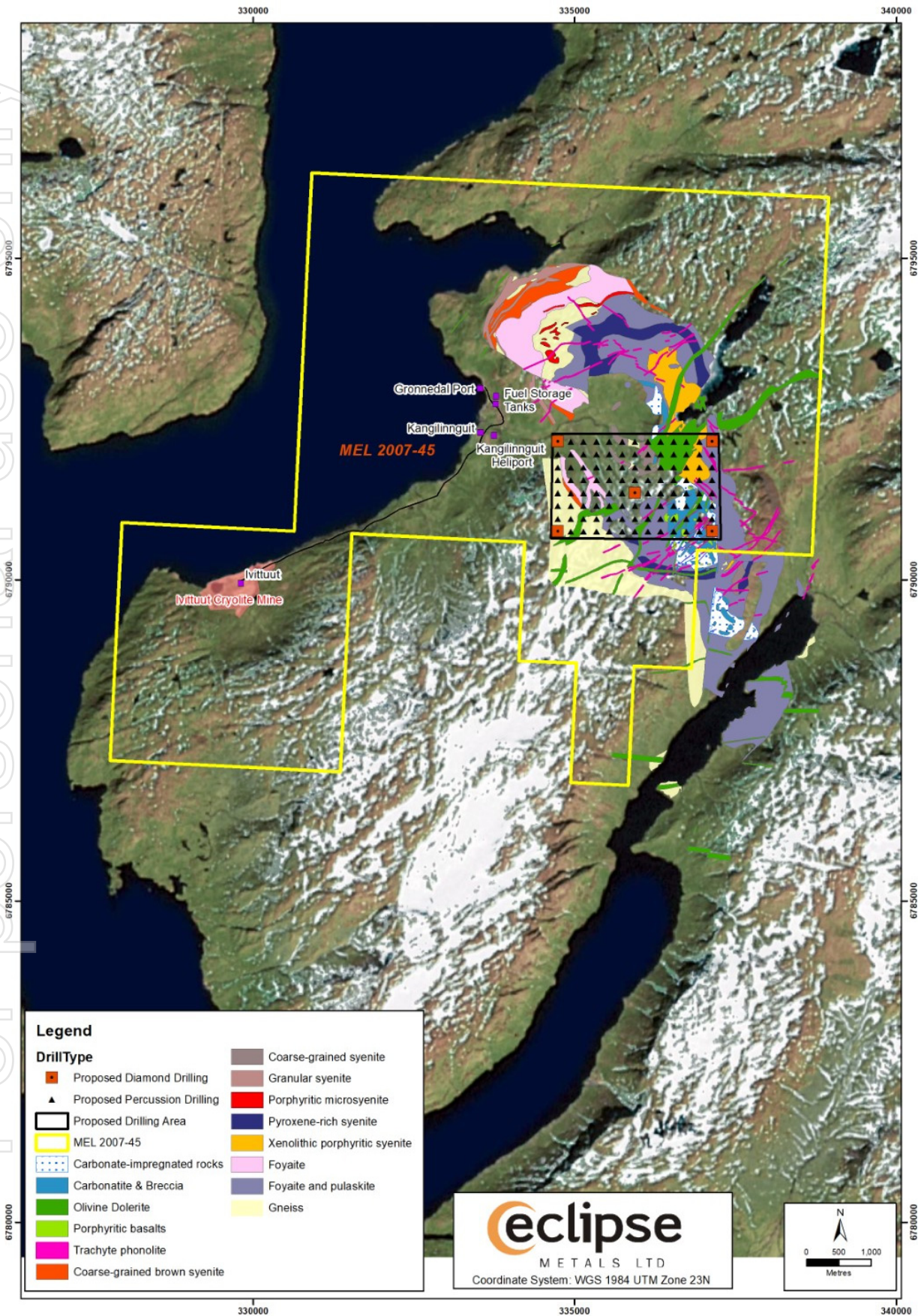


Figure 1: MEL 2007-45 Location Map and Exploration Drill Targets

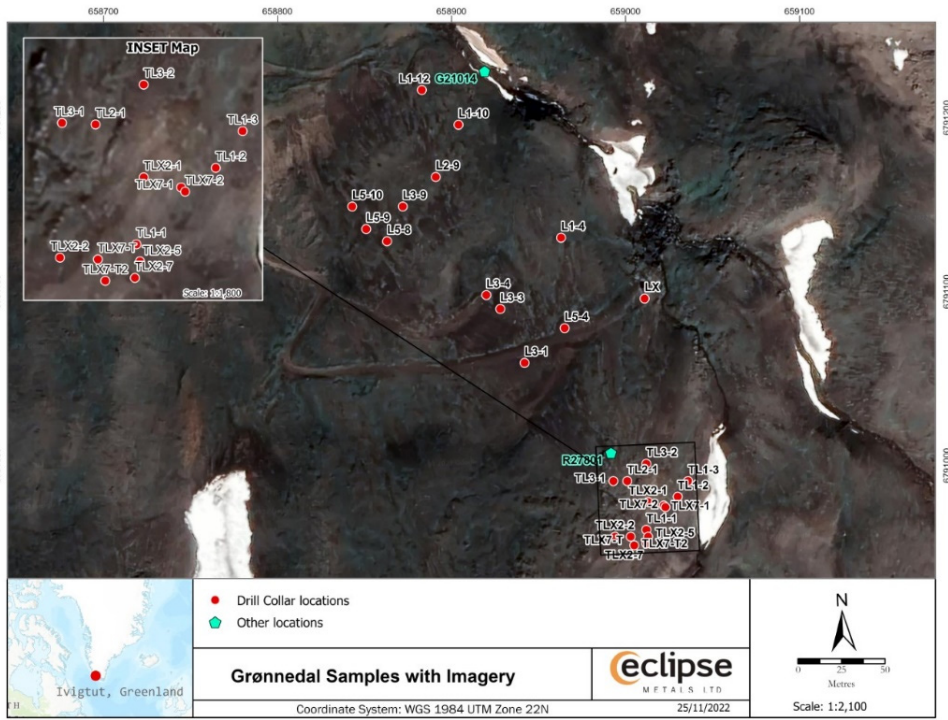


Figure 2: Grønnedal target area. Drill collars are marked with red dots while the two REE mineralisation styles are marked with green points. Assays are expected to be available toward the end of Q1-2023.

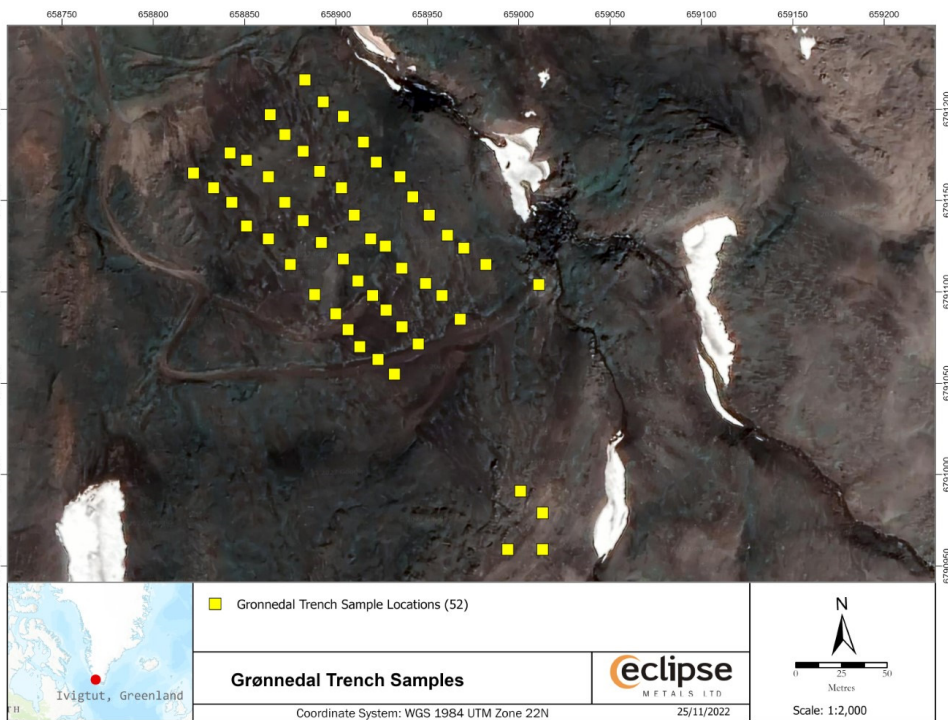


Figure 3: Grønnedal trenching and sampling area marked in yellow.

Drill sample testing using a portable XRF analyzer (pXRF)

The pXRF analyses of composite samples recorded in Greenland before shipment have returned encouraging praseodymium (Pr) and neodymium (Nd) ratios. The results indicate that the Grønnedal carbonatite complex could be significant on a global basis with respect to its Pr and Nd content, which are amongst the commercially most valuable rare earth elements (REE).

At the Greenland sample preparation facility, pXRF readings, taken on five 1.5m composite samples from drillhole L3-9, returned an intersection average of 7.5m @ 0.8%  $\text{La}_2\text{O}_3+\text{Ce}_2\text{O}_3+\text{Pr}_2\text{O}_3+\text{Nd}_2\text{O}_3$  (4REO), with praseodymium (Pr)/lanthanum (La) and neodymium (Nd)/cerium (Ce) ratios of about 1.2:1, as well as 0.49% Zn+Pb+Ni (Table 1).

| DH L3-9 (azimuth/dip: 140/-70) |          |        |              |              |              |       |      |      |       |
|--------------------------------|----------|--------|--------------|--------------|--------------|-------|------|------|-------|
| Sample id                      | From (m) | To (m) | Interval (m) | 4REO* (%)    | Zn+Pb+Ni (%) | Fe    | Ca   | Si   | Mag** |
| 27990                          | 1.0      | 2.5    | 1.5          | 0.83%        | 0.15%        | 38.8% | 3.1% | 6.9% | 2.6   |
| 27991                          | 2.5      | 4.0    | 1.5          | 0.85%        | 0.56%        | 49.1% | 1.5% | 0.9% | 2.0   |
| 27992                          | 4.0      | 5.5    | 1.5          | 0.69%        | 0.27%        | 50.0% | 2.2% | 0.5% | 2.0   |
| 27993                          | 5.5      | 7.0    | 1.5          | 0.87%        | 0.64%        | 46.3% | 5.6% | 0.7% | 2.1   |
| 27994                          | 7.0      | 8.5    | 1.5          | 0.66%        | 0.82%        | 48.9% | 2.8% | 0.8% | 2.2   |
| <b>Total Intersection</b>      |          |        | <b>7.5</b>   | 0.8% rounded | <b>0.49%</b> | 46.6% | 3.0% | 2.0% | 2.2   |

**Table 1:** p-XRF testing of drill hole L3-9 indicates an intersection average with 0.8% (rounded) 4REO\* ( $\text{La}_2\text{O}_3+\text{Ce}_2\text{O}_3+\text{Pr}_2\text{O}_3+\text{Nd}_2\text{O}_3$ ) and 0.49% Zn+Pb+Ni. The intersection is non-magnetic but with abundant Fe and low Si, indicating the dominant carbonate iron facies (siderite). \*\* Mag is magnetic susceptibility as  $10^{-3}$  SI

Eclipse cautions that the pXRF tests are not definitive in nature with all samples yet to be analysed at an Australian laboratory for REE and base metals as well as other major and trace elements.

Bearing in mind the preliminary nature of these pXRF results, Eclipse believes these results indicate a significant enrichment of the commercially more valuable REE Pr and Nd in drillhole L3-9 relative to the lower value La and Ce, an observation that is consistent with published academic studies as well as previous laboratory results summarised below.

Previous laboratory and pXRF assay results from Grønnedal rock chip samples:

- On 17<sup>th</sup> November 2021, the Company reported pXRF results indicating potentially significant rare-earth element content. Subsequent laboratory results from samples tested by pXRF confirmed significant 4REE (La+Ce+Pr+Nd) (reported on 9 March 2022).
- On 22<sup>nd</sup> November 2021, Eclipse reported laboratory assays from historical Grønnedal drill core sample IVT 21-4, which yielded 2.1% TREO, including 0.12%  $\text{Pr}_2\text{O}_3$  and 0.46% Zn.
- On 9<sup>th</sup> March 2022, the Company reported highly anomalous heavy REE laboratory assay results for six rock chip samples (G21010, G21011, G21014, G21016, G21017 and G21019), demonstrating that the Grønnedal carbonatite complex is – at least in part – enriched in Pr and Nd.

- On 24<sup>th</sup> March 2022, Eclipse reported the final laboratory assay results for the above samples with G21016 having returned 4.66% TREO, 0.13% Gd<sub>2</sub>O<sub>3</sub> and 3.3% BaO, and sample G21011, collected from an aplite cutting the Grønnedal complex, having returned 0.93% Nb<sub>2</sub>O<sub>5</sub>, 0.07% Rb<sub>2</sub>O and 1.77% ZrO<sub>2</sub>.

### Discussion of preliminary results

Overall, the previous Grønnedal rock chip samples and pXRF data from drill hole DH L3-9 demonstrate unusual patterns for Pr/La and Nd/Ce ratios compared to other REE-mineralised carbonatite complexes such as Mountain Pass (California) and Mt Weld (Western Australia).

The lower La and Ce contents as measured by pXRF, if confirmed by laboratory assay results across the Grønnedal complex or a significant part thereof, would indicate that REE mineralisation at Grønnedal contains a higher proportion of the commercially more valuable magnetic REE Pr and Nd. The latter are often termed the 'magnet feed' REE which are critical elements for high-performance magnets used by and in high demand from the automotive sector and for wind turbines.

More specifically, the pXRF readings and laboratory assay results collected thus far show a relatively large proportion of Pr and Nd, comprising up to 55% of the measured 4REE.

This can be compared with other rare earth deposits:

- |      |                        |  |
|------|------------------------|--|
| i)   | Grønnedal Pr+Nd:       | 55% of the measured 4REE (La+Ce+Pr+Nd) |
| ii)  | Mountain Pass* Pr+Nd:  | 17% of the measured 4REE (La+Ce+Pr+Nd) |
| iii) | Mount Weld CLD* Pr+Nd: | 25% of the measured 4REE (La+Ce+Pr+Nd) |

\* Reference: *Technology Metals Research, TMR (2015)*

Such a difference in composition for the project could have a positive implication on the so-called "basket price". The basket price is described as the sum of the proportions of the individual REOs in the product multiplied by the price of the individual REOs.

## **IVIGTÛT**

### Mineralised Waste Dump Sampling

Eclipse bulk sampled five mineralised waste dumps (ROM size) from the Ivigtût historical cryolite mine to assess the mineral and chemical content. These dumps contain a substantial volume of mineralised material that may be suitable for processing to recover saleable products. Previous laboratory assessments have indicated the polymetallic nature of mineralisation in the pit from which the large volume of mineralised waste was produced, as shown in earlier laboratory results.

- The Company's previous surface sample I21012 provided encouraging results of 165g/t Ag, 0.15% Cu, 3.83% Pb and 0.37% Zn (ASX Announcement dated 24 March 2022).
- Laboratory assessment of a historical drill core sample IVT 21 - 11(1) returned 9.86% Zn (ASX Announcement dated 22 November 2021).

In addition to drilling, the Company undertook a surface sampling program in areas of interest defined by remote sensing surveys and in proximity of the historical mine precinct. Findings from geophysical inversion modelling and satellite imagery analysis have provided Eclipse with many targets for field checking and sampling to be conducted where possible during the current and future exploration programs (refer ASX release 13 June 2022 for further details). Surface samples from the Grønnedal prospect, collected during a previous site visit, have already been sent to St Andrews University for technical analysis.



**Figure 3: Ivigtut target area. Drill collars are marked with red dots. Bulk sample trenches are marked with purple lines. Assays are expected to be available toward the end of Q1 2023.**

Earlier laboratory results for samples from the mineralised waste dumps returned relatively low TREO values, ranging from 2.26 to 161.44ppm, however the ratio of high-demand heavy to light REE is considered to be very encouraging. Chemical and petrological assessment of the bulk samples in Australia will provide the Company with data to estimate commercial potential in the waste dumps.

Eclipse is considering a Ground Penetrating Radar (GPR) survey for the Ivigtut precinct to assist with an assessment of the potential volume of mineralised waste material. By calculating the size of the open pit and access tunnels and subtracting the cryolite concentrate that has been exported, it can be estimated that up to 5Mt of ROM waste was deposited in the dumps as well as for landfill purposes during a century of mining. There has been no comprehensive commercial assessment for other critical metals.

Pursuant to the Greenlandic Mineral Resources Act no. 7 of 7 December 2009 on mineral resources and activities of significance for these (the Mineral Resources Act), and later amendments, mineral resources companies must prepare a SIA and EIA in connection with developing mineral projects. The European consultancy has been appointed to conduct this work and a first draft scoping document covering the SIA and EIA are prepared for preliminary review and action in due course.

Eclipse Executive Chairman Carl Popal said work to be completed by a consultancy would be vital in progressing the Company’s development of Ivigtut project and preparing a ‘white paper’ required for obtaining a mining licence from MLSA.

The estimated timeframe for the completion and submission of these reports is usually two to three years. Eclipse expects that this timeframe will be reduced with the benefit of existing documents and reports held by the Company, which will contribute to form part of the scoping phase for the Social Impact Assessment undertaken by Eclipse.

### Greenland MEL2007-45 Overview

Eclipse acquired mineral exploration licence MEL2007-45 in Greenland in January 2021. The project area hosts the historic Ivigtût cryolite mine and undeveloped mineral resources. Over 120 years, between 1865 and 1985, the Ivigtût mine produced 3.8 million tonnes of high-grade cryolite for use in the aluminium industry, from the world's largest known minable resource of naturally occurring cryolite.

Ivigtût is located in southwestern Greenland and has a power station and fuel supplies to service this station and local road infrastructure to support mineral exploration. About 5.5km to the northeast of Ivigtût, the settlement of Kangilinnuit (Grønnedal) provides a heliport and an active wharf with infrastructure.

The Grønnedal carbonatite complex is less than 10km from Ivigtût and only 5km from the port of Kangilinnuit. This complex ranks amongst the larger alkaline intrusions of the Gardar Igneous Province in Greenland and is recognised by GEUS as one of the prime REE targets in the country, along with Kvanefjeld and Kringlerne (also referred to as Tanbreez) (Paulick et al., 2015).

Assay results from grab samples collected earlier last year show the various styles of REE mineralisation at Grønnedal and Ivigtût ranging from light to heavy REE. Their respective geological host environments are testament to a complex intrusive history with multiple episodes of REE enrichment (refer ASX release 24th March 2022). Previous tenement holders concentrated on exploring and mining the Ivigtût cryolite deposit. Eclipse is the first company to test the REE and multi-element potential at both Grønnedal and Ivigtût.

Eclipse is committed to developing a strong ESG framework for the Greenland projects to include minimal environmental impact, developing and preserving local Ivigtût history, assistance to restore the Ivigtût Mining Museum and use of renewable power where possible.

## NT URANIUM PROJECTS

### Liverpool Project

Eclipse has commenced the ethnographic survey of ELAs 31065 and 31770 within the Liverpool group of tenements located in the Alligator Rivers Uranium province in the Northern Territory with the assistance of Northern Land Council (NLC). The survey assesses Aboriginal sacred sites as part of further negotiations with the traditional landowners as we progress toward granting these tenements. The surveys were completed in late Q2 of the financial year. Based on the outcome of the surveys, the company is discussing with NLC to conclude on any of the sacred sites that would need to be noted in the Aboriginal Land Rights Agreement (ALRA) with the terms due to be agreed on with NLC and negotiated with the traditional landowners during the 2023 calendar year.

### Ngalia Basin

The Company is in discussion with the Central Land Council for an access agreement to permit limited exploration drilling on its granted tenements.

### Mary Valley Manganese Update

The Company has applied, via the Queensland Department of Resources, for a permit to collect a bulk sample of manganese mineralised material from an area of historic working drilled in 2018 and 2020 (ASX 26/04/2018 and 20/10/2020). This application is presently being assessed by the local native claimant group.

## CORPORATE

### European Exchange Listing

Subsequent to the quarter end, Eclipse commenced trading on both the Frankfurt Stock Exchange and Germany's Tradegate Exchange under the ticker **9EU**.

Dual listing on European exchanges supports Eclipse's strategy of broadening its overseas investor base to engage with European investors and stakeholders as well as facilitating an opportunity for low transaction cost access for retail investors from European and Scandinavian countries.

Eclipse has appointed Frankfurt-based DGWA, the German Institute for Asset and Equity Allocation and Valuation (Deutsche Gesellschaft für Wertpapieranalyse GmbH) as its investor relations and corporate advisor in Europe.

The Australian Securities Exchange (**ASX**) will continue to be Eclipse's primary exchange.

### Annual General Meeting

Eclipse Metals held its Annual General Meeting of Shareholders on 9 November 2022. All resolutions put to shareholders at the annual general meeting were carried on a poll.

### ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the quarter was \$671,000. Full details of exploration activity during the quarter are set out in this report.
2. ASX Listing Rule 5.3.2: There was no substantive mining production and development activities during the quarter.
3. ASX Listing Rule 5.3.5: Payment to related parties of the Company and their associates during the quarter: \$103,000 cash. The Company advises that this relates to non-executive, executive directors' fees and consulting fees only. Please see the Remuneration Report in the Annual Report for further details on Directors' Remuneration.

For further information please contact:

**Carl Popal**  
Executive Chairman

**Oliver Kreuzer**  
Non-Executive Director



### Competent Persons Statement

*The information in this report that relates to Exploration Results and Exploration Targets together with any related assessments and interpretations is based on information compiled by Mr. Rodney Dale, a Non-Executive director of Eclipse Metals Limited. Mr. Dale is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and has sufficient experience relevant to the styles of mineralisation under consideration and to the activity being reported to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Dale has verified the data disclosed in this release and consents to the inclusion in this release of the matters based on the information in the form and context in which it appears.*



## References

Paulick, H., Rosa, D., and Kalvig, P. (2015). Rare earth element projects and exploration potential in Greenland. Center for Minerals and Materials (MiMa), Geological Survey of Denmark and Greenland (GEUS), Rapport 2015/2, 51p.

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**ADDENDUM - ECLIPSE METALS TENEMENT INTERESTS ASX - Listing Rule 5.3.3.**

Mining tenements held at the end of the quarter and their locations listed below.

There were no changes during the quarter.

**Granted Tenements**

| Tenement   | Project Name    | Commodity                | Status  | State     | Holder                              | %   | Graticular Blocks |
|------------|-----------------|--------------------------|---------|-----------|-------------------------------------|-----|-------------------|
| MEL2007-45 | Ivigtut Project | Cryolite & Rare Earths   | Granted | Greenland | Eclipse Metals Limited Greenland    | 100 | 50km <sup>2</sup> |
| EL 24808   | Cusack's bore   | Uranium                  | Granted | NT        | Eclipse Metals Ltd                  | 100 | 27                |
| EL 32080   | North Ngalia    | Uranium                  | Granted | NT        | Eclipse Metals Ltd                  | 100 | 63                |
| EPM 17672  | Mary Valley     | Manganese                | Granted | Qld       | Walla Mines Pty Ltd <sup>1</sup>    | 100 | 7                 |
| EPM 17938  | Amamoor         | Manganese                | Granted | Qld       | Walla Mines Pty Ltd <sup>1</sup>    | 100 | 4                 |
| EL27584    | Devil's Elbow   | Uranium, Gold, Palladium | Granted | NT        | North Minerals Pty Ltd <sup>3</sup> | 100 | 30                |

**Tenement Applications**

| Tenement  | Project Name   | Commodity   | Status      | State | Holder                         | %   | Graticular Blocks |
|-----------|----------------|-------------|-------------|-------|--------------------------------|-----|-------------------|
| ELA 24623 | Eclipse        | Cu, Uranium | Application | NT    | Eclipse Metals Ltd             | 100 | 305               |
| ELA 26487 | Yuendi         | Cu, Uranium | Application | NT    | Whitvista Pty Ltd <sup>2</sup> | 100 | 320               |
| ELA 31065 | Liverpool 1    | Uranium     | Application | NT    | Eclipse Metals Ltd             | 100 | 68                |
| ELA 31499 | Ngalia 1       | Uranium     | Application | NT    | Eclipse Metals Ltd             | 100 | 249               |
| ELA 31500 | Ngalia 2       | Uranium     | Application | NT    | Eclipse Metals Ltd             | 100 | 250               |
| ELA 31501 | Ngalia 3       | Uranium     | Application | NT    | Eclipse Metals Ltd             | 100 | 250               |
| ELA 31502 | Ngalia 4       | Uranium     | Application | NT    | Eclipse Metals Ltd             | 100 | 226               |
| ELA 31770 | Liverpool 2    | Uranium     | Application | NT    | Eclipse Metals Ltd             | 100 | 50                |
| ELA 31771 | Liverpool 3    | Uranium     | Application | NT    | Eclipse Metals Ltd             | 100 | 240               |
| ELA 31772 | Liverpool 4    | Uranium     | Application | NT    | Eclipse Metals Ltd             | 100 | 51                |
| ELA 32077 | Central Ngalia | Uranium     | Application | NT    | Eclipse Metals Ltd             | 100 | 195               |
| ELA 32078 | Central Ngalia | Uranium     | Application | NT    | Eclipse Metals Ltd             | 100 | 248               |
| ELA 32079 | Central Ngalia | Uranium     | Application | NT    | Eclipse Metals Ltd             | 100 | 248               |

1 Walla Mines Pty Ltd is a subsidiary of Eclipse Metals Ltd

2 Whitvista Pty Ltd is a subsidiary of Eclipse Metals Ltd

3 North Minerals Pty Ltd is a subsidiary of Eclipse Metals Ltd

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ECLIPSE METALS LIMITED

ABN

85 142 366 541

Quarter ended ("current quarter")

31 December 2022

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                            |                                       |
| 1.1 Receipts from customers                               | -                          | -                                     |
| 1.2 Payments for  |                            |                                       |
| (a) exploration & evaluation                              | (205)                      | (345)                                 |
| (b) development   | -                          | -                                     |
| (c) production  | -                          | -                                     |
| (d) staff costs   | -                          | -                                     |
| (e) administration and corporate costs                    | (206)                      | (430)                                 |
| 1.3 Dividends received (see note 3)                       | -                          | -                                     |
| 1.4 Interest received                                     | 4                          | 6                                     |
| 1.5 Interest and other costs of finance paid              | -                          | -                                     |
| 1.6 Income taxes paid                                     | -                          | -                                     |
| 1.7 Government grants and tax incentives                  | -                          | -                                     |
| 1.8 Other (provide details if material)                   | -                          | 16                                    |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(407)</b>               | <b>(753)</b>                          |
| <b>2. Cash flows from investing activities</b>            |                            |                                       |
| 2.1 Payments to acquire or for:                           |                            |                                       |
| (a) entities  | -                          | -                                     |
| (b) tenements   | -                          | -                                     |
| (c) property, plant and equipment                         | -                          | -                                     |
| (d) exploration & evaluation *                            | (465)                      | (555)                                 |
| (e) investments   | -                          | -                                     |
| (f) other non-current assets                              | -                          | -                                     |

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2                                  | Proceeds from the disposal of:  |                            |                                       |
|                                      | (a) entities  | -                          | -                                     |
|                                      | (b) tenements   | -                          | -                                     |
|                                      | (c) property, plant and equipment   | -                          | -                                     |
|                                      | (d) investments   | -                          | -                                     |
|                                      | (e) other non-current assets  | -                          | -                                     |
| 2.3                                  | Cash flows from loans to other entities   | -                          | -                                     |
| 2.4                                  | Dividends received (see note 3)   | -                          | -                                     |
| 2.5                                  | Cash acquired on acquisition  | -                          | -                                     |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b>                                   | <b>(465)</b>               | <b>(555)</b>                          |
| <b>3.</b>                            | <b>Cash flows from financing activities</b>   |                            |                                       |
| 3.1                                  | Proceeds from issues of equity securities (excluding convertible debt securities)       | -                          | 2,047                                 |
| 3.2                                  | Proceeds from issue of convertible debt securities                                      | -                          | -                                     |
| 3.3                                  | Proceeds from exercise of options   | -                          | -                                     |
| 3.4                                  | Transaction costs related to issues of equity securities or convertible debt securities | (90)                       | (99)                                  |
| 3.5                                  | Proceeds from borrowings  | -                          | -                                     |
| 3.6                                  | Repayment of borrowings   | -                          | -                                     |
| 3.7                                  | Transaction costs related to loans and borrowings                                       | -                          | -                                     |
| 3.8                                  | Dividends paid  | -                          | -                                     |
| 3.9                                  | Other (provide details if material)   | -                          | -                                     |
| <b>3.10</b>                          | <b>Net cash from / (used in) financing activities</b>                                   | <b>(90)</b>                | <b>1,948</b>                          |
| <b>4.</b>                            | <b>Net increase / (decrease) in cash and cash equivalents for the period</b>            |                            |                                       |
| 4.1                                  | Cash and cash equivalents at beginning of period  | 2,261                      | 659                                   |
| 4.2                                  | Net cash from / (used in) operating activities (item 1.9 above)                         | (407)                      | (753)                                 |
| 4.3                                  | Net cash from / (used in) investing activities (item 2.6 above)                         | (465)                      | (555)                                 |
| 4.4                                  | Net cash from / (used in) financing activities (item 3.10 above)                        | (90)                       | 1,948                                 |

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.5                                  | Effect of movement in exchange rates on cash held | -                          | -                                     |
| <b>4.6</b>                           | <b>Cash and cash equivalents at end of period</b> | <b>1,299</b>               | <b>1,299</b>                          |

\* Prior quarter amounts have been re-positioned for consistency with current quarter disclosures.

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|------------|---|----------------------------|-----------------------------|
| 5.1        | Bank balances   | 1,299                      | 2,261                       |
| 5.2        | Call deposits   | -                          | -                           |
| 5.3        | Bank overdrafts   | -                          | -                           |
| 5.4        | Other (provide details)   | -                          | -                           |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>1,299</b>               | <b>2,261</b>                |

| <b>6.</b>  | <b>Payments to related parties of the entity and their associates</b>                   | Current quarter<br>\$A'000 |
|--|---|----------------------------|
| 6.1  | Aggregate amount of payments to related parties and their associates included in item 1 | 103                        |
| 6.2  | Aggregate amount of payments to related parties and their associates included in item 2 | -                          |
| <p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> |   |                            |
| <p>Payments of Directors fees \$103K (excl. GST)</p>   |   |                            |

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| <b>7. Financing facilities</b>  | <b>Total facility<br/>amount at quarter<br/>end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>   |   |  |
| 7.1 Loan facilities   | -   | -  |
| 7.2 Credit standby arrangements   | -   | -  |
| 7.3 Other (please specify)  | -   | -  |
| <b>7.4 Total financing facilities</b>   | <b>-</b>  | <b>-</b>   |
| <b>7.5 Unused financing facilities available at quarter end</b>   |   | <b>-</b>   |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. |   |  |
|   |   |  |

| <b>8. Estimated cash available for future operating activities</b>  | <b>\$A'000</b> |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9)   | (407)          |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))  | (465)          |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2)  | (872)          |
| 8.4 Cash and cash equivalents at quarter end (item 4.6)   | 1,299          |
| 8.5 Unused finance facilities available at quarter end (item 7.5)   | -              |
| 8.6 Total available funding (item 8.4 + item 8.5)   | 1,299          |
| <b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>   | <b>1</b>       |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>                                       |                |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:   |                |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?   |                |
| Answer: No – The Company has undertaken a drilling programme on its Ivigtût project during the quarter Oct-Dec22. This drilling programme has increased the company's net operating cash outflows. There is no such drilling programme planned for the next few quarters. |                |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?  |                |
| Answer: Eclipse regularly reviews its financial position and the Company is confident that, should it determine to proceed with a capital raising, it will be able to raise funds as required.  |                |

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company has a solid history with respect to its ability to raise funds from financial markets and existing shareholders. It is the view of the Directors that the market will continue to support any future viable funding requirements in support of its operations and business objectives.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 January 2023

Authorised by: the Board.  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.